

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Lake Charles, Louisiana

Financial Statements
June 30, 2013

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Southwest Louisiana

We have audited the accompanying financial statements of United Way of Southwest Louisiana, Inc. (the United Way) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Southwest Louisiana as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of agency allocations and community services on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2013, on our consideration of the United Way's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the United Way's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Broussard and Company".

Lake Charles, Louisiana
November 4, 2013

United Way of Southwest Louisiana, Inc.
Statement of Financial Position
As of June 30, 2013

Assets	
Assets	
Cash and cash equivalents	\$ 1,667,887
Investments	1,172,208
2013 pledges receivable	212,697
2012 pledges receivable (less allowance for uncollectible pledges of \$300,000)	1,708,387
Prepaid expenses	924
Other receivables	11,500
Cash and cash equivalents - restricted for natural disaster recovery	141,550
Property and equipment, net of accumulated depreciation of \$1,138,964	367,157
	<hr/>
Total Assets	<u><u>\$ 5,282,311</u></u>
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	<u>\$ 156,563</u>
	<hr/>
Total Liabilities	<u>156,563</u>
Net Assets	
Invested in capital assets	367,157
Unrestricted	<u>4,414,427</u>
Total unrestricted	4,781,585
Temporarily restricted	<u>344,163</u>
Total Net Assets	<u>5,125,748</u>
	<hr/>
Total Liabilities and Net Assets	<u><u>\$ 5,282,311</u></u>

See accompanying notes to financial statements.

United Way of Southwest Louisiana, Inc.
Statement of Activities
For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Combined Total</u>
Revenues, Gains and Other Support			
Campaign applicable to current period:			
Contributions received - current period	\$ -	\$ 3,790,356	\$ 3,790,356
Contributions received - (released from restriction)	3,977,215	(3,977,215)	-
Total campaign for current period	3,977,215	(186,859)	3,790,356
Campaign revenue received for next allocation period	-	341,706	341,706
Total campaign for next allocation period	-	341,706	341,706
Total campaign	3,977,215	154,847	4,132,062
Grant income	-	78,729	78,729
Rent income	-	30,100	30,100
Meeting income	4,000	-	4,000
Investment income	6,037	-	6,037
Special Fundraising Income	309	-	309
Reimbursement income	4,000	-	4,000
Processing fee revenue	1,802	-	1,802
Net assets satisfied by payments	108,829	(108,829)	0
Total revenues, gains and other support	4,102,192	154,847	4,257,039
Allocations and Functional Expenses			
Funds allocated to member agencies	2,493,465	-	2,493,465
Other allocations	7,031	-	7,031
	2,500,496	-	2,500,496
Other functional expenses:			
Fund raising	549,789	-	549,789
Community initiatives	489,187	-	489,187
Management and general	219,552	-	219,552
Total functional expenses	1,258,528	-	1,258,528
Total allocations and functional expenses	3,759,024	-	3,759,024
Change in Net Assets	343,168	154,847	498,015
Net Assets - Beginning of Year	4,438,417	189,316	4,627,733
Net Assets - End of Year	<u>\$ 4,781,585</u>	<u>\$ 344,163</u>	<u>\$ 5,125,748</u>

See accompanying notes to financial statements.

United Way of Southwest Louisiana, Inc.
Schedule of Functional Expenses
For the Year Ended June 30, 2013

	Fund Raising	Community Initiatives	Management and General	Total
Salaries	\$ 210,374	\$ 190,804	\$ 88,064	\$ 489,242
Payroll taxes	21,997	19,950	9,208	51,155
Health and life insurance	29,524	26,777	12,359	68,659
Retirement plan	13,856	12,567	5,800	32,223
Total compensation	275,750	250,099	115,430	641,279
Professional fees	18,759	8,241	7,816	34,817
Office supplies and expense	14,484	3,621	6,035	24,140
Printing	2,853	713	1,189	4,754
Campaign expenses	74,535	12,597	20,995	108,127
Postage and shipping	2,990	748	1,246	4,984
Computer expense	15,261	3,815	6,359	25,435
Telephone	11,264	2,816	4,694	18,774
Utilities	15,725	3,931	6,552	26,208
Repairs and maintenance	24,019	6,005	10,008	40,031
Dues and subscriptions	198	50	83	330
Training and seminars	2,246	561	936	3,743
Organizational expenses	9,723	2,431	4,051	16,205
Travel	12,871	3,218	5,363	21,452
Insurance	16,435	4,109	6,848	27,391
Meeting expense	4,036	1,009	1,682	6,727
United Way programs	-	173,063	-	173,063
Depreciation	29,611	7,403	12,338	49,352
Miscellaneous	19,030	4,757	7,929	31,716
Total functional expenses	\$ 549,789	\$ 489,187	\$ 219,552	\$1,258,528

See accompanying notes to financial statements.

United Way of Southwest Louisiana, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2013

Cash Flows From Operating Activities

Change in net assets	\$ 498,015
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	49,352
(Increase) in pledges receivable	(177,361)
Decrease in prepaid expenses	1,375
Decrease in other receivables	13,997
Increase in accounts payable	119,218
	<hr/>
Net Cash Provided by Operating Activities	504,596

Cash Flows From Investing Activities

Purchase of investments	(814,845)
Maturity of investments	811,644
Purchase of equipment	(84,924)
	<hr/>
Net Cash Used by Investing Activities	(88,125)

Net Increase in Cash and Cash Equivalents 416,471

Cash and Cash Equivalents - Beginning of Period	<hr/> 1,392,966
Cash and Cash Equivalents - End of Period	<hr/> \$ 1,809,437 <hr/>

Cash and Cash Equivalents at the end of the year consisted of:

Unrestricted Cash	\$ 1,667,887
Restricted Cash	141,550
	<hr/> \$ 1,809,437 <hr/>

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements
June 30, 2013

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The United Way of Southwest Louisiana, Inc. (the United Way) is a nonprofit corporation recognized under the laws of the State of Louisiana for the purpose of raising funds for the benefit of other community nonprofit organizations. The United Way's mission is to unite the community for the assessment of human needs and the delivery of appropriate services.

For more than 70 years, United Way of Southwest Louisiana has been committed to building strong, successful families and strengthening our community. When you join the United Way team, you're supporting a powerful movement to impact the region's most pressing health and human service needs.

Currently, United Way of Southwest Louisiana works with our partners to deliver 60 programs and multiple services that target community needs that center around the building blocks for a good life: a quality education that leads to stable employment, sufficient income to support a family through retirement, and sound mental and physical health.

Income Taxes

The United Way is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal and state income taxes is included in the financial statements.

The United Way is required to file the applicable Form 990, *Return of Organization Exempt from Income Tax*. The applicable form is based on the United Way's gross receipts. The United Way is in compliance with the filing requirements of the Internal Revenue Service. Returns are subject to examination by the IRS, generally for three years after they are filed.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the United Way may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2013.

Method of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. The United Way follows the standards of accounting and financial reporting for voluntary health and welfare agencies prescribed by the United Way Worldwide and the American Institute of Certified Public Accountants.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements (Continued)
June 30, 2013

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave is not payable upon termination or resignation. Vacation leave accumulates based on the length of the employee's service. Upon termination or resignation, the outstanding balance unused vacation leave can be paid to an employee. Any liability as of June 30, 2013 would be considered immaterial and has not been recorded on the United Way's accounting records.

Property and Equipment

The United Way capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of property and equipment is calculated on the straight line basis over the estimated useful life of the asset. The estimated useful lives of such assets are summarized as follows:

Furniture and equipment	5 years
Automobiles	3 years
Building and improvements	25 years

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Contributed Services

The United Way generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the United Way but these services do not meet the criteria for recognition as contributed services.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements (Continued)
June 30, 2013

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain indirect costs have been allocated to the functional categories based on the United Way's analysis of time devoted to each category. The allocation for the year ending June 30, 2013 was based on the following percentages:

Fund raising	60%
Community initiatives	15%
Management and general	25%

Campaign Revenue

Campaign revenues received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All donations of campaign revenue are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restriction. If a restriction is fulfilled in the same time period in which the donation is received, the donation is reported as unrestricted.

Pledges

Unconditional promises to give or pledges that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give or pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the pledge is received. Amortization of the discount is included in campaign revenue. There were no pledges that are to be collected in future years as of June 30, 2013. Conditional promises to give are not included as support until such time as the conditions are substantially met.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements (Continued)
June 30, 2013

NOTE 1 - NATURE OF ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Cash and cash equivalents

The United Way considers all liquid investments with an original maturity of three months or less to be cash equivalents. On two bank accounts, donor restrictions have been placed and the amounts of these accounts are shown as cash and cash equivalents – restricted. These accounts are restricted for hurricane recovery efforts.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2013 consists of the following:

Building	\$ 1,140,049
Land	91,000
Furniture and equipment	<u>275,072</u>
	1,509,121
Less accumulated depreciation	<u>(1,138,964)</u>
Net property and equipment	<u>\$ 367,157</u>

Depreciation expense for the year ended June 30, 2013 was \$49,352.

NOTE 3 – FAIR VALUE MEASUREMENTS

The United Way has determined the fair value of its investments through a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs to the valuation methodology are based on unadjusted quoted prices for identical assets in active markets that the United Way has the ability to access. Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets and/or based on inputs that are derived principally from or corroborated by observable market data. Level 3 inputs are unobservable and are based on assumptions that market participants would utilize in pricing the asset.

The fair value of financial instruments, including cash, approximate the carrying value, principally because of the short maturity of those items and are considered Level 1.

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements (Continued)
June 30, 2013

NOTE 4 – CONCENTRATIONS OF CREDIT RISK

The United Way maintains cash balances at several financial institutions located in Southwest Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2013, the United Way's uninsured cash balances total \$1,430,879.

NOTE 5 – SUBSEQUENT EVENTS

The United Way evaluated its June 30, 2013 financial statements for subsequent events through November 4, 2013, the date of which the financial statements were available to be issued. The United Way is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

NOTE 6 – BOARD COMPENSATION

Members of the United Way's Board of Directors receive no compensation and are reimbursed only for any expenses incurred relating to the United Way's business which must have appropriate supporting documentation.

NOTE 7 – INVESTMENTS

Investments are comprised of certificates of deposits with varying maturity dates as well as money market accounts. These investments are stated at market. Market values at June 30, 2013 approximate cost.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2013 are available for the following purposes:

Time restrictions:	
2013 campaign pledges recognized in current period	\$ 341,706
Purpose restrictions:	
Tom Morris Memorial Fund	<u>2,457</u>
	<u>\$ 344,163</u>

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements (Continued)
June 30, 2013

NOTE 9 –NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows for the year ended June 30, 2013:

Time restrictions:	
2012 campaign revenue	<u>\$ 3,977,215</u>

NOTE 10 –RETIREMENT BENEFITS

The United Way sponsors a 401(a) defined contribution plan and tax –deferred annuity plan that covers all eligible employees. Eligible employees include persons with one year of service with a minimum age of 21 years. Employer contributions for the 401(a) plan shall be 10% of the participant's compensation for the plan year. Employees have the option to contribute to the tax-deferred annuity plan from 1% of salary to the maximum amount permitted by law. Totals costs and employer contributions for the year ended June 30, 2013 were \$32,223.

NOTE 11 –COMMUNITY INITIATIVES

Helpline is an initiative that assists the community with needs such as utility payments, rent, deposits, medicine or other expenses. Partnering agencies in our community can ask for financial assistance on behalf of clients to pool resources together to meet the needs of the community. Clients must meet the assistance guidelines of the requesting agency, and the financial burden is shared by multiple agencies in the community. On occasion, special projects are funded and set aside by United Way Board of Directors. These funds are used to meet community needs. Examples of the use of these funds include assistance provided to the Chennault Mobile Home Village, AeroFrame employees who were unexpectedly laid off, and the Crestwood Mobile Home Park residents. This project focuses on the Safety Net Initiative of UWSWLA.

United Way hosted 9 traditional Volunteer Income Tax Assistance (VITA) sites across the five parish area with a total economic impact of \$2.7 Million. Promoting the Earned Income Tax Credit (EITC) and free tax preparation services, the VITA program is a partnership between United Way, the IRS, and other community partners. Community volunteers are trained and certified to prepare basic income tax returns. Approximately 2,400 federal and state returns were prepared in the 2012-2013 tax season. The program is supported by a grant from the IRS and Entergy, and concentrates on the Income Initiative of United Way.

Focusing on the Health Initiative, United Way distributes Pack N Play portable cribs to low-income families of Southwest Louisiana. To help reduce the Infant Mortality Rate in our community, the Cribs for Kids program holds educational classes for new and expecting parents and caregivers. Safe Sleep guidelines are explained in the 45 minute class, and participants receive a safe place for

UNITED WAY OF SOUTHWEST LOUISIANA, INC.
Notes to Financial Statements (Continued)
June 30, 2013

NOTE 11 – COMMUNITY INITIATIVES (CONTINUED)

their infant to sleep. This program works closely with community partners to provide educational information on Safe Sleep through these classes as well as a Community Wide Baby Shower. Funds from the Louisiana Children's Trust Fund and the Cribs for Kids Organization support these programs. These community partners also participate in Safety Town, educating children on safety at home, pedestrian safety, 9-1-1, automobile safety, the importance of child restraints, and medical screenings. The Safety Town program is supported by funding from Alcoa.

For the Education Initiative, United Way participates with Dolly Parton's Imagination Library to provide free books for children birth to age 5. Through sponsorships from Sasol, and the Calcasieu Parish School Board - Early Childhood Department, children in the Westwood, Kaufman and Nelson Elementary School districts receive a free book each month from birth to age 5, helping to build their home library and encourage lifelong literacy skills.

Supplemental Information

United Way of Southwest Louisiana, Inc.
Agency Allocations and Community Services
For the Year Ended June 30, 2013

	Actual	Budget	Other Allocations
Abraham's Tent	\$ 76,000	\$ 76,000	\$ -
Allen Council on Aging	38,110	38,110	-
American Red Cross	103,877	103,877	-
BeauCARE	104,186	104,186	-
Beau A.R.C.	30,900	30,900	-
Beauregard Community Concerns	130,000	130,000	-
Beauregard Council on Aging	48,347	48,347	-
Beauregard Special Olympics	5,000	5,000	-
Big Brothers Big Sisters	112,518	112,518	-
Boy Scouts Louisiana Purchase Council	5,000	5,000	-
Boys & Girls Village	151,800	151,800	-
Boy Scouts of America	121,808	121,808	-
Calcasieu Association for Retarded Citizens	144,050	144,050	-
Calcasieu Community Cline	29,600	29,600	-
Calcasieu Council on Aging	106,922	106,922	-
Calcasieu Women's Shelter	176,075	176,075	-
Cameron Council on Aging	61,800	61,800	-
Childrens' Museum	26,310	26,310	-
Community Partners	9,227	2,505	6,722
Family & Youth Counseling	295,808	295,808	-
Foreman-Reynaud YMCA	108,424	108,424	-
Girl Scouts - Louisiana Pines to the Gulf	10,620	10,620	-
Jeff Davis Addictive Disorders	53,350	53,350	-
Jeff Davis Council on Aging	44,290	44,290	-
Jeff Davis Special Olympics	2,500	2,500	-
Junior Achievement	23,523	23,523	-
Literacy Council of Southwest Louisiana	96,144	96,144	-
NAMI	18,922	18,922	-
Salvation Army	128,100	128,100	-
Second Harvest Food Bank	9,359	9,359	-
Southwest Louisiana Law Center	63,922	63,922	-
Louisiana Association of United Way-211	51,000	51,000	-
CADA-Jeff Davis Communities Against Domestic Abuse	20,000	20,000	-
Community Chest	6,828	6,828	-
Parkinson's Assoc. of the South	6,557	5,867	690
Iberia Comprehensive	10,000	10,000	-
Louisiana Association of United Way Dues	25,950	28,000	(2,050)
United Way Worldwide	43,669	42,000	1,669
	<u>\$ 2,500,496</u>	<u>\$ 2,493,465</u>	<u>\$ 7,031</u>

See accompanying notes to financial statements.



Broussard & Company
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
United Way of Southwest Louisiana
Lake Charles, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the United Way of Southwest Louisiana, Inc. (the United Way), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the United Way's basic financial statements, and have issued our report thereon dated November 4, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the United Way's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the United Way's internal control. Accordingly, we do not express an opinion on the effectiveness of the United Way's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the United Way's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard and Company

Lake Charles, Louisiana
November 4, 2013

**UNITED WAY OF SOUTHWEST LOUISIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- | | | |
|--|-----------|-------------------------|
| • Material weakness identified? | _____ yes | _____ <u>X</u> _____ no |
| • Significant deficiencies identified that are not material weaknesses | _____ yes | _____ <u>X</u> _____ no |
| • Noncompliance material to financial statements noted? | _____ yes | _____ <u>X</u> _____ no |